



# The Florida House of Representatives

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### FOR IMMEDIATE RELEASE

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TALLAHASSEE—House Policy and Budget Council Chair Ray Sansom and House Speaker Marco Rubio today, March 31, issued the following summary of the Council's proposed 2008-09 budget bill:

### SUMMARY OF HOUSE BUDGET

#### Overview, House Priorities, and Planning for the Future

The House proposes a total budget of \$65.1 billion, a 9.6% reduction from the budget enacted during last year's Regular Session and a 7.5% reduction from the final FY 2007-2008 budget (as amended during Special Session C and again at the beginning of this Session). GR spending is \$3.1 billion less than in last year's Regular Session budget, and \$1.9 billion less than in last year's budget as amended. The House's budget spends less than \$350 million of non-recurring funds for recurring purposes, well below the constitution's 3% limit. The overall size of the House's proposed budget is slightly less than the budget enacted for Fiscal Year 2005-2006.

The House's budget prioritizes education, healthcare, and public safety. The House proposes to meet the state's needs in these areas by redirecting roughly \$700 million in transportation and environmental funding to the general fund. In addition, the House budget shifts approximately \$659 million in trust fund balances to fund mostly non-recurring projects.

The House anticipates that the state's fiscal outlook might continue to get worse before it gets better. Accordingly, Chairman Sansom will propose legislation authorizing the governor to submit an LBC budget amendment to access the Budget Stabilization Fund and the Lawton Chiles Endowment if, in the coming fiscal year, the Revenue Estimating Conference projects that we have insufficient funds to meet our appropriations. The proposed legislation would allow a transfer to general revenue of up to 50% of the Budget Stabilization Fund and, if that is insufficient, up to \$1 billion from the Lawton Chiles Endowment Fund. It is precisely because of the need to plan for continued fiscal shortfalls that the House has chosen not to rely on these funds in its proposed budget.

### No New Taxes and No RLE Increase

The House's budget includes no tax increases, including no increase to the Required Local Effort. The House's budget funds \$198 million and \$26 million to hold school districts and fiscally-constrained counties, respectively, harmless from the effects of Amendment 1.

The House's budget includes only one fee increase—to the fee for reinstating suspended or revoked driver's licenses—which will be used to fund the recruitment and retention of well-qualified officers for the Florida Highway Patrol.

### Education

The House was careful to minimize reductions with a direct impact on students.

In K-12 education, the House's budget spends \$7,041 per student, a per-student decrease of only 1.2%.

In higher education, the House proposes a 0.5% decrease in spending for state universities and a 1.0% *increase* in spending for community colleges. These figures include a reasonable 6% tuition increase at both the university and community college level.

### Healthcare

The guiding philosophy of the House's healthcare budget is that it is preferable to reduce provider reimbursement rates, rather than reduce eligibility or reduce services more than necessary.

The House's budget protects eligibility for Medicaid and KidCare and funds anticipated enrollment growth in both programs. The House's budget continues to include funding for

Medicaid services for adult dental, vision, and hearing. The House budget suspends funding for certain other Medicaid services (chiropractic, podiatric, and hospice).

### Public Safety

While reductions in this area were inevitable, the House sought to preserve the core mission of criminal justice agencies. To that end, the House's budget funds the state's anticipated need for new prison construction and operation, rather than resort to early release of prisoners.

### Transportation

The House's budget maintains funding for transportation safety, preservation and maintenance.

Notwithstanding the redirection of transportation funds to the general fund, the House's budget provides sufficient funding for new road construction to continue at historic levels. This is because the amount the House has budgeted for road-building is in line with the market's capacity to absorb new projects.

### Environment

The House's budget maintains essential environmental protection, but redirects approximately \$175 million from environmental programs to the general fund. This redirection of funds sunsets in 2013, at which time the funds will once again flow into environment-related programs.

Although the House budget does not call for new Florida Forever bonding this year, the House already is working on legislation to extend the Florida Forever program beyond 2010, when it is currently scheduled to expire.